

# Citizen-oriented state reform

## Buena Gobernanza

### Context

Modernisation of state structures and of the public administration is a top priority of the Peruvian Government. A democratisation process has been underway since 2002 that includes comprehensive reforms to decentralise and modernise the state and public administration.

Despite the considerable progress that has been made, approval rates for state institutions in Peru are among the lowest in South America. Reform policy is not coherent enough, nor is it being implemented across the board at the level of local and regional government. Public services cannot be provided effectively as a result. Key obstacles include insufficient interaction between the different levels of government and frequent shortfalls of managerial and financial skills among local and regional governments.

### Objective

Public administrations at the local and regional levels act more effectively and transparently and are more oriented towards citizen needs.

Title	Citizen-oriented state reform
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Country	Peru
Lead executing agency	Peruvian International Cooperation Agency (Agencia Peruana de Cooperación Internacional - APCI)
Overall term	12/2014 to 11/2018

### Approach

On behalf of the German Government, and with funding from Switzerland's State Secretariat for Economic Affairs (SECO), the project supports more than 120 municipalities and other actors in building their capabilities in three core areas:

#### 1. Coordination of budgeting and planning

GIZ advises local and regional governments on how to plan and programme their budgets for public services. The aim is to draw up a multi-annual expenditure plan with clear targets that address citizens' needs. The local and regional governments systematically feed their experience back to the country's Ministry of Economy and Finance, thus continually improving the national results-based budgeting system.



Left: Customer service in a fee collection office.

Right: Meeting with residents to discuss local water resources management.



Event organised by a municipality to provide information about transparency.

## 2. Social policy and administrative modernisation

Local and regional governments are being assisted in improving the coverage rate and the quality of social welfare programmes. Together with the consulting firm Ambero, GIZ has advised them on ways of reducing time, costs and red tape in order to make their services more citizen-friendly. The consulting firm GFA helped to reform the public service.

## 3. Strengthening accountability

State actors at the subnational level receive support in boosting transparency and facilitating better access for citizens to information. This allows government action to be monitored to a greater degree. Stepping up citizen participation will also help to improve services and to create constructive relations between state and society.

## Results

Since the year 2000, four million Peruvians have gained improved access to public services with GIZ's support.

Advice on compiling and planning budgets has helped 35 municipalities to align their expenditure better to results and citizens' needs. As a result, the municipalities received an average of 7% more funding in 2016 than in the previous year. Furthermore, the budget of 15 municipalities was increased as they complied with the goals of the national incentives plan.

Support for improving public services enabled 37 rural municipalities to expand their drinking water and sanitation systems. 31 urban municipalities reduced waiting times for and the cost of state services. 14 local governments improved access by the population to social welfare programmes. A total of 35 municipalities implemented instruments to modernise the public service.

10 municipalities improved their internet transparency portals, which are used to publish information on local administration. Another 25 municipalities increased the transparency of public construction projects.

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